



COLLEGE STUDENT AID COMMISSION MAY 2017 MEETING

Regular Meeting. The College Student Aid Commission met on May 19, 2017, in Des Moines. Among the items discussed were the following:

Administrative Rules. The Commission approved noticing changes to administrative rules that result from the enactment of [HF 642](#) (2017 Education Appropriations Act) during the 2017 Legislative Session. The most significant changes addressed are:

- The inclusion of eligible foster care students in the All Iowa Opportunity Scholarship Program.
- The expansion of the All Iowa Opportunity Scholarship Program to cover four years of college, instead of the current two years.
- The repeal of the All Iowa Opportunity Foster Care Grant Program.
- The inclusion of barber and cosmetology students in the For-Profit Iowa Tuition Grant Program.

Partnership Loan Program. The Commission approved entering into a Memorandum of Understanding with the Department of Revenue for collection services to be performed on delinquent loans. The loans in question were purchased from the Iowa Student Loan Liquidity Corporation's Partnership Loan Program between 1998 and 2006. Since 2012, a third-party collection agency has been under contract to try to collect on the loans but has refused to extend the contract any further. Annual revenue has steadily decreased. The Commission attempted to sell the portfolio in December 2015, but no bids were received. In May 2015, the Commission agreed to cease accrual of interest on the portfolio, effective September 1, 2016.

The Department of Revenue's Central Collections Unit (CCU) has agreed to accept placement of the delinquent loans and use its State collection resources. Under the agreement, additional defaulted student loan debt may be placed for collection. Commission staff indicated that the only such debt that might possibly be placed with the CCU would be defaulted loans under several now inactive forgivable loan programs. Also under the agreement, collection fees will be equal to 29.0% of all payments received by the CCU plus any other fees incurred by the Department of Revenue.

FY 2018 Budget. The Commission's Audit and Finance Committee presented a recommended budget for FY 2018. The budget includes expenditures totaling \$75.4 million, utilizing annual revenue of \$70.6 million and an additional \$4.8 million from the Commission's Operating Fund balance. The Commission approved the proposed budget.

In a separate action, the Commission approved transferring \$3.0 million of anticipated FY 2018 revenue from the Great Lakes Loan portfolio to the GEAR UP Scholarship Fund. The revenue would otherwise go to the Commission's Operating Fund to support administrative costs. The scholarship moneys will be used for the second cohort of GEAR UP Iowa students; the students are completing their freshman year of high school this spring. In discussion with staff, it was noted that revenue from Great Lakes continues to come in higher than expected.

Long-Term Planning. The Commission authorized Executive Director Karen Misjak, at the direction of the Commission's Board Structure Subcommittee, to enter into a contract not to exceed \$100,000 for a consultant to assist the Subcommittee in its long-range planning work.

Departing and New Commissioners. Commission President Janet Adams presented certificates of appreciation to the following Commissioners whose terms end June 30, 2017:

- Crystal Ford, representing borrowers with student loans.
- Fred Moore, representing independent colleges and universities.
- Karolyn Wells, representing lenders.
- Amy Brace, student member.

The Commission also welcomed new members Rachael Johnson, representing the Board of Regents, and nonvoting members Senator Jeff Edler and Representative Cecil Dolecheck.

Additional Information. The next meeting of the College Student Aid Commission is scheduled for July 21, 2017, by telephone. Meeting agendas and other information are available on the Commission's [website](#).

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